

The HOME Insurance Company
New York, N. Y.



—ORGANIZED 1853—

59 MAIDEN LANE, NEW YORK, N. Y. 10003

November 3, 1970

Mr. O. A. Strassburg
Casualty Department
Johnson & Higgins
95 Wall Street
New York, New York 10005

Re The Anaconda Company, et al
Policy No. HEC 9 554 659
Plaintiffs: Various
Date of Loss: Prior and subsequent to the Fall of 1968
Our File No. 721 E 522 059

Dear Mr. Strassburg:

Your letter of October 19, together with the twenty-seven (27) various complaints has been received.

A review of all the complaints which are similar in content allege that for many years the defendants have operated an aluminum reduction plant and a wire and cable company in Flat Head County, Montana and as a direct and proximate result of the operation of the facilities, they have caused to be discharged into the air and onto the plaintiffs' land dangerous fluoride, coal tar pitch, and other hydrocarbon and particulate matter, causing injury to plaintiffs' person, animals, timber, trees, vegetation, etc. Obviously the damages claimed arise out of the normal business operations of the Insured since the initial operation of the facilities and the damages increased when the facilities were expanded in the Fall of 1968.

The Home Insurance Company must, for the reasons stated above, and for other good and valid reasons, disclaim any liability for coverage inasmuch as the allegations of the complaints and the damages claimed do not directly result from an "occurrence" as defined in the said policy of insurance as issued to the Anaconda Company.

Please also refer to your letter of June 2, 1970 reporting the Dehlbom vs. Anaconda Aluminum Company suit. Since the allegations and damages claimed in that law suit are similar, if not identical, to the recent

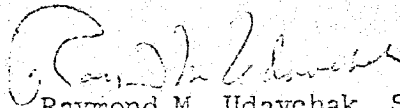
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law suits, we must necessarily disclaim coverage on that claim also.

Please convey to the Insured there would be no coverage under our Excess Liability policy for these law suits.

Very truly yours,



Raymond M. Udavchak, Supervisor
Excess & Reinsurance
Loss - Claim

RMU:ecd